

THE NINTH MALAYSIA PLAN: THE FIRST STEP IN THE NATIONAL MISSION

1

I. INTRODUCTION

1.01 The nation is embarking upon a new phase of development towards realising its aspiration of becoming a developed nation by 2020. This next 15-year phase will be guided by the National Mission, a policy and implementation framework aimed at obtaining greater performance and impact from the country's collective developmental initiatives. The Ninth Malaysia Plan represents the first five-year blueprint of the National Mission, outlining the policies and key programmes aimed at fulfilling the Mission's thrusts and objectives for the 2006-2010 period.

1.02 Economic growth, competitiveness and dynamism will be pursued together with equal opportunity, social equity and inclusion. The quality of human capital will be upgraded as it is a key determinant in the achievement of the Plan's goals and objectives. The quality of life of all Malaysians will be enhanced further. The national implementation machinery will be streamlined and strengthened. In all, these efforts will ensure that the overriding objective of the nation, that is national unity and integration, will be strengthened.

1.03 In light of the National Mission and the recognition of the importance of a joint national effort to ensure its achievement, the theme of the Ninth Plan is set as *Together Towards Excellence, Glory and Distinction*. All Malaysians have a stake in the nation building process – the private sector as the engine of growth, the public sector as facilitator and regulator, and civil society and others as partners in development. The quest to attain developed nation status can only be realised through the sustained commitment and contribution of each and every citizen.

1.04 The Ninth Plan period is expected to be challenging and requires greater resolve to ensure its success. External shocks such as rising high oil prices, global economic imbalances, outbreak of infectious diseases and large-scale natural disasters dictate the need for vigilance and resilience. At the same

time, domestic challenges including enhancing fiscal management; developing new sources of growth, wealth and income; strengthening education and training; and reducing socio-economic disparities require urgent and focused attention. The Eighth Malaysia Plan achieved relative success in spite of the many challenges, as shown in *Box 1-1*.

II. SUMMARY OF THE NINTH MALAYSIA PLAN, 2006-2010

1.05 Given the changing domestic and global economic landscape, initiatives to enhance national competitiveness and resilience will continue to be given high priority. At the same time, efforts to close inter- and intra-ethnic socio-economic disparities will be intensified, with measures that focus more accurately on target groups. All development initiatives during the Ninth Plan period will be guided by the universal principles of *Islam Hadhari*.

1.06 Overall macroeconomic management during the Plan period will focus on sustaining growth and strengthening the economy's capacity to cushion against downside risks and shocks. The Government will ensure that price pressures remain manageable; that an appropriate monetary policy is in effect; that the Federal Government operating expenditure is managed in a prudent and cost-effective manner; that a gradual reduction in the Federal Government deficit is observed without retarding overall growth; and that a strong balance of payments and external reserves position is maintained at all times.

1.07 The Ninth Plan is organised according to the thrusts of the National Mission. The following are the key highlights and programmes of the Ninth Plan under each of the five thrusts:

THRUST 1: TO MOVE THE ECONOMY UP THE VALUE CHAIN

1.08 The Ninth Plan period will see changes in the structure and improved performance of the economy with every economic sector achieving higher value added and total factor productivity. New growth areas will gain in strength. Private sector investment will surpass the public sector in spearheading economic growth. The economy will become more centred on human capital, particularly with increasing competition from globalisation and progressive market liberalisation.

Increasing the Value Added of Manufacturing, Services and Agriculture

Manufacturing

1.09 Application of high technology and production of higher value added products will be given emphasis. Measures will be undertaken to migrate the

BOX 1-1**BRIEF OVERVIEW OF THE EIGHTH MALAYSIA PLAN,
2001-2005**

At the onset of the Eighth Plan, global economic growth slowed due to a decelerating United States of America economy and dampened global electronics demand, exacerbated by the attacks of September 11, 2001. Overall economic performance remained sluggish until the second half of 2003, weighed down by the invasion of Iraq and the regional outbreak of Severe Acute Respiratory Syndrome. Global growth thereafter was relatively firm despite escalation in crude oil prices from the second half of 2004.

The Malaysian economy managed to sustain growth during the Eighth Plan period due to stronger macroeconomic fundamentals and increased resilience following the lessons learnt from the Asian financial crisis. Achievements include:

- 4.5 per cent per annum real gross domestic product (GDP) growth, slightly above the revised target rate;
- increase in GNP per capita in current prices of 5.7 per cent per annum to RM17,687 in 2005;
- broad-based growth, with nearly all sectors equalling or surpassing their revised growth targets;
- strong exports, resulting in a 61.4 per cent growth of the trade surplus, and the doubling of the balance of payments surplus and the volume of international reserves;
- low inflation, averaging 1.8 per cent for the entire Eighth Plan period;
- low unemployment of 3.5 per cent by the end of 2005;
- greater progression to higher value added activities in key economic sectors; and
- improvement of the business environment including increased supply of skilled labour, higher physical infrastructure capacity and better investment incentives.

The steady economic growth enabled the achievement of several socio-economic objectives:

- overall poverty declined from 8.5 per cent (1999) to 5.7 per cent (2004);
- hardcore poverty declined from 1.9 per cent (1999) to 1.2 per cent (2004);
- mean household income increased 5.6 per cent per annum on average, exceeding real GDP growth;
- inter-ethnic income disparities narrowed;
- all the Millennium Development Goals were achieved ahead of the 2015 target with the exception of the reversal of HIV/AIDS;
- provision of housing, medical services and basic amenities improved significantly; and
- rural-urban income disparity, however, continued to widen.

electrical and electronics (E&E) industry towards high-technology and higher value added activities. The development of higher value added manufacturing subsectors such as the petrochemical, maritime, aerospace, heavy machinery and defence industries will be promoted. In addition, homegrown village industries such as handicraft, *batik* and *songket*, will continue to be modernised and brought up to international standards. The Government will facilitate the development of existing and new industrial clusters such as the E&E clusters in Pulau Pinang and Kulim High Technology Park, Kedah and petrochemical clusters in the Eastern Corridor states of Terengganu and Pahang, as well as industrial and SME parks in all states.

Services

1.10 All services subsectors will be further developed and promoted. Tourism efforts will focus on enhancing Malaysia's attractiveness as a destination for natural and eco-tourism; for culture, entertainment and the arts; for meetings, incentives, conventions and exhibitions (MICE); for international sporting events; as well as for shopping and recreational activities. In education, measures will be intensified to promote Malaysia as a regional centre of excellence for tertiary education. In health services, Malaysia will be promoted as a regional health tourism centre. In financial services, efforts will focus on strengthening Malaysia's position as an international centre for Islamic banking and finance. In addition, new services subsectors such as aviation maintenance, repair and overhaul (MRO); shared services and outsourcing; transport and logistics; and business and professional services will be upscaled. To expand the services sector beyond its current concentration in the Klang Valley, the South Johor Economic Region will be developed into a vibrant regional services hub, leveraging on its prime location and natural advantages.

Agriculture

1.11 During the Ninth Plan period, the agriculture sector will be revitalised to emerge as the third pillar of economic growth. The *New Agriculture* programme will be undertaken, which will include greater orientation towards more modern and commercial scale production; the production of high value added primary and agro-based products; wider application of information and communications technology (ICT) as an enabler and biotechnology for wealth creation; use of better marketing approaches emphasising product standards and farm accreditation; and the introduction of a higher level of professionalism. Established subsectors such as oil palm and rubber will be encouraged to increase diversification into high value added downstream products. Industries with high potential such as aquaculture, deep sea fishing, seaweed, herbs, ornamental fish and floriculture will be developed and commercialised on a large scale. Efforts will also be intensified to develop Malaysia into a global centre for *halal* products.

1.12 Greater private sector participation will be promoted. In addition, research and development (R&D) activities will be intensified, access to financing will be further improved and new production zones will be designated for agricultural production. During the Ninth Plan period, the Northern Development Corridor, which comprises areas in the states of Perlis, Kedah, Seberang Perai in Pulau Pinang and Northern Perak; Eastern Corridor comprising Kelantan, Terengganu and Pahang; and Sabah and Sarawak, will be developed into modern commercial scale agriculture and agro-based regions.

Generating New Sources of Wealth in Technology- and Knowledge-Intensive Sectors

1.13 Economic activities within the field of ICT will be developed and further strengthened, building upon Malaysia's strengths. Malaysia will continue to position itself as a preferred destination for shared services and outsourcing. In terms of new activities, the Government will develop the local digital content industry as well as bioinformatics. To support the growth of the ICT industry as well as bolster general economic efficiency, measures will be taken to increase access to and utilisation of ICT services and facilities, including enhancing e-Government and encouraging the usage of e-commerce among businesses and consumers.

1.14 The Ninth Plan period will see intensification of efforts towards developing the biotechnology industry, in line with the National Biotechnology Policy launched in 2005. Development of the industry will encompass action on many fronts including improving the regulatory framework for biotechnology investments; enhancing access to funding; improving the rate of R&D commercialisation; increasing the number of skilled biotechnology workers and researchers; as well as attracting quality foreign partners for R&D, technology licensing and product development. Malaysia will focus on its areas of competitive advantage, including in optimising its rich biodiversity, leveraging on its multi-ethnic traditional and complementary medicine, and becoming a world leader in resource-based industries such as biofuel and biodiesel.

Enhancing Job Creation

1.15 The promotion and development of new economic subsectors in manufacturing, services and agriculture will be undertaken with job creation as a priority. Training and retraining programmes will be emphasised for both employers and employees to increase the mobility and adaptability of the nation's workforce towards knowledge-intensive and higher value added activities. Employers will be encouraged to redesign and improve selected job functions and work conditions to attract local workers, including women, retirees and

disabled persons. In addition, laws and regulations relating to human resource will be reviewed and streamlined to enhance the efficiency and productivity of the labour force.

Giving a Lead Role to the Private Sector in Economic Development

Enhancing the Development of Small and Medium Enterprises

1.16 Development of small and medium enterprises (SMEs) will be a key priority during the Ninth Plan period. Access to financing and incentives will be improved, including through the recently established SME Bank while measures will also be taken to enhance the availability of venture capital financing for SME start-ups. Greater inter-firm linkages among SMEs, as well as with large domestic companies and multinational corporation will be promoted. In addition, programmes will be expanded to help boost the entrepreneurial and technical capability of SMEs including through the application of ICT and e-commerce.

PAGE
28

Increasing Public-Private Sector Partnerships

1.17 Public and private sector partnership will be further strengthened towards nation building during the Plan period. The public and private sector will increase collaboration, particularly in the areas of R&D, human capital development and the fulfilment of socio-economic objectives, particularly with respect to poverty eradication, and equity and employment restructuring. New regional growth centres (RGCs) and growth corridors will be developed together by the Government and the private sector to promote investment, create jobs and encourage rapid development in the areas concerned. The streamlining of the privatization programme will also contribute towards further strengthening private sector participation in the economy. Emphasis will be given to Government-initiated projects based on national priority. The selection of concessionaires will be made through an open bidding process. The Ninth Plan will also see the introduction of the private finance initiative under the privatization programme, which will offer more opportunities for private sector participation in the development of infrastructure and utilities.

Improving the Business Environment

1.18 The efficiency of the public service delivery system is important to enhance the business environment. Improvements to the public sector delivery system will be made through the removal of unnecessary bureaucracy, reform of district and local authority administrations, review of the investment-related regulatory framework and greater use of ICT in day-to-day operations. These measures will be implemented with a view to reduce the cost of doing business while

providing adequate protection to the parties involved. As such, more disclosure-based regulatory measures and self-regulation, where possible, will be implemented.

Inculcating Excellence and a High Performance Culture

Government-Linked Companies Transformation

1.19 The government-linked companies (GLCs) transformation programme initiated in May 2004 was aimed at infusing a culture of high performance and excellence in all GLCs. In the Ninth Plan, the implementation of the GLCs transformation programme will be intensified to further enhance shareholder value, including through the additional roll-out of key performance indicators (KPIs), and the introduction of performance-based compensation, operational improvements and cost reduction initiatives. The initial operational and financial results from the transformation programme is expected to be seen in the first half of the Ninth Plan period.

Enhancing Corporate Governance

1.20 The Government will continue to promote strong stewardship and corporate governance in the private sector. Corporate law reform programmes initiated by the Government will continue to be implemented. Private sector industry associations will be encouraged to implement programmes to promote ethical business practices and corporate social responsibility among its members. The improvement of corporate leadership including in GLCs will be given priority to ensure high standards of management, effective decision-making and proper risk management.

Expanding the Market for Malaysian Products and Services

Promoting Outward Investments

1.21 Private sector companies and GLCs will be encouraged to venture abroad to secure business and investment opportunities. This move will increase access to new markets, create demand for domestically produced intermediate goods and components, provide a hedge against domestic economic slowdown and help to create Malaysian multinational corporations in the longer term.

Responding Competitively to International Trade Commitments

1.22 Malaysia's commitments under the World Trade Organisation, the Association of Southeast Asian Nations (ASEAN) Free Trade Area,

ASEAN-Free Trade Agreements (FTAs) and other bilateral FTAs will expand opportunities for trade and investments. However, competition will also intensify, particularly in sectors where market access was agreed. In this respect, the Government will increase efforts to prepare the local private sector for progressive liberalisation and increasing competition.

THRUST 2: TO RAISE THE CAPACITY FOR KNOWLEDGE AND INNOVATION AND NURTURE ‘FIRST CLASS MENTALITY’

1.23 In the Ninth Plan period, efforts will be intensified to develop the country’s human capital in order to drive the transformation to a knowledge-based economy. Programmes and projects will be undertaken to deliver the National Mission’s priorities of improving the education system, increasing innovation and ensuring holistic human capital development.

Improving the Access to and Quality of the Education System at All Levels

Curriculum and Teaching

1.24 During the Ninth Plan period, the implementation of the National Pre-school Curriculum will be accelerated to ensure standardisation and quality. At the school level, the curriculum and co-curricular activities will be reviewed to ensure that it provides a strong foundation for the development of core competencies and is relevant to changing needs. The teacher training curriculum will also be reviewed which among others, will improve subject content, enhance pedagogical skills and enable greater application of ICT in education.

1.25 At the tertiary level, to better respond to market requirements and reduce skills mismatch, collaboration between industry and institutions of higher education will be improved. New courses will be introduced in line with the changing requirements of the labour market. To improve employability of local graduates, a requirement for internship and industrial attachment programmes will be strengthened. Appropriate improvements to the curriculum will also be made.

1.26 Training programmes will be redesigned in line with changing industry requirements. The National Dual Training System will be improved through closer consultations with stakeholders including industry associations, and the National Advisory Council on Education and Training will be established to guide policies and strategies related to education and industrial training.

Infrastructure and Facilities

1.27 Access to pre-school education will be expanded with the provision of more pre-school classes, particularly in rural areas. With respect to primary and secondary education, better facilities will be provided in rural areas as well as in Sabah and Sarawak. More classrooms will also be built to ensure the achievement of universal primary education. In addition, the capacity for university education and advanced skills training will be expanded.

Making National Schools the *School of Choice*

1.28 To make national schools the *school of choice*, the quality of teaching in national schools will be improved with 100 per cent and 25 per cent of teachers in secondary and primary schools, respectively, having first degree qualifications by 2010. More in-service training opportunities will also be provided for teachers. In an effort to produce knowledge workers of the future who are adept at using technology and ICT, efforts will be taken to make all national schools 'smart' through the *Program Pembestarian Sekolah*. Education opportunities for children with special needs and learning disabilities will also be increased in national schools. To reduce the performance gap between rural and urban areas, various initiatives will be undertaken, including the provision of better educational facilities and basic amenities. The quality of teaching will be improved through the deployment of more experienced teachers to schools in the rural areas. In addition, educational support programmes will continue to be provided to assist students from low-income households.

Producing Tertiary Institutions of International Standing

1.29 Efforts will be taken to enhance the quality of tertiary education to become of international standing. For this purpose, local institutions of higher education will be benchmarked against international standards and a rating system will be introduced. The institutions will also be required to conform to the standards for quality assurance procedures set out in the Malaysian Qualifications Framework (MQF). To support the implementation of the MQF and to establish a unified quality assurance system, the Malaysian Qualifications Agency will be set up in 2006. The quality of the academic personnel will be improved through more staff development programmes. In addition, the number of academic staff with doctorate qualification in public universities will be increased to achieve the target of 60 per cent of total academic staff by 2010. In order to increase the quality and global outlook of universities and their academic staff, international engagements with renowned international institutions will be pursued, including through research collaborations.

Nurturing Top Quality Research and Development, and Scientific and Innovation Capability

Strengthening Policy Commitment

1.30 During the Plan period, the Government will place emphasis on human resource capacity building and on strengthening the National Innovation System. A National Innovation Council will be established to provide leadership in the formulation of policies and key strategies to stimulate a culture of innovation in the country.

Enhancing Research and Development Capabilities

1.31 The Ninth Plan targets national R&D expenditure of 1.5 per cent of gross domestic product by 2010. To reap the value of this investment, research and innovation capability will be strengthened. To help build a critical mass of researchers in priority areas, various initiatives will be undertaken. More researchers, scientists and engineers (RSEs) will be developed to meet the target of 50 RSEs per 10,000 labour force in 2010. A National Brain Gain Programme will be launched, initially focusing on science and technology human capital. Centres of excellence in emerging technology areas will be set up and the R&D capacity of universities and research institutions will be increased. In addition, the private sector including GLCs, will be encouraged to provide more scholarships, grants and endowment funds for research in priority and strategic areas including in developing innovative products for commercialisation.

Promoting Technopreneurship and Technology-based Enterprises

1.32 The Technology Incubator Programme will be enhanced to develop a sustainable pool of indigenous technopreneurs and technology-based companies. It will be integrated into the broader strategy of enhancing utilisation of new knowledge and technology produced by universities and research institutions. As financing is a key enabling factor, measures will be undertaken to improve funding mechanisms and access to funding. To further encourage innovation, technology transfer and commercialisation, the existing intellectual property (IP) framework will be strengthened to enhance IP support facilities and to shorten the IP approval process. The technopreneurship development programme will also be utilised as part of the effort to nurture a Bumiputera Science and Technology Community.

Empowering Women and Youth

1.33 Towards the further advancement of women, more education and training opportunities will be made available to women to increase their employability.

To promote greater participation of women in business, their access to financing will be improved. Measures will also be undertaken to increase the provision of childcare facilities and promote flexible working arrangements to facilitate the greater participation of women in the labour force. The Government will continue to focus on reducing the incidence of poverty, especially among female-headed households. In terms of gender justice, all existing laws and regulations that could potentially discriminate against women will be reviewed. In addition, the Government in collaboration with the private sector and non-governmental organisations (NGOs) will continue to take appropriate measures to address violence against women.

1.34 Youth programmes will focus on vulnerable groups, which include those dropping out of the education system and the unemployed. Access to education and skills training will be improved while other programmes that seek to build leadership, self-confidence and good values such as the *Rakan Muda* and National Service programme will be strengthened.

Fostering a Society with Strong Values

Nurturing High Performance

1.35 Developing a high performance culture requires measuring and exacting performance in all spheres. In line with this, more performance-based elements will be incorporated into diverse areas such as R&D grants, entrepreneur development programmes and public sector employment. A performance-based approach will also be made a key aspect in monitoring Ninth Plan projects, which includes the measurement and tracking of KPIs.

Instilling a Progressive Outlook and Moral and Ethical Values

1.36 A progressive outlook as well as strong morals, ethics and values will be a key component in developing human capital. Programmes under the National Integrity Plan (PIN) will be implemented more widely to cover more segments of society. In addition, the promotion of *Islam Hadhari* as a foundation for a progressive developmental outlook will be intensified. Within the schooling system, the j-QAF programme for Muslim students will be expanded to all primary schools. Moral education will be provided for all students. The *Sivik dan Kewarganegaraan* subject will be improved and expanded to all students in Years 4 to 6 and all levels of secondary education. At the community level, programmes that promote volunteerism will be promoted, and NGOs and religious institutions will also be encouraged to play an important role in promoting positive values.

THRUST 3: TO ADDRESS PERSISTENT SOCIO-ECONOMIC INEQUALITIES CONSTRUCTIVELY AND PRODUCTIVELY

1.37 The Ninth Plan period will see renewed emphasis in addressing socio-economic imbalances. Allowing inequalities to persist can negatively impact growth, threaten national unity and affect societal stability. However, the approach towards addressing socio-economic imbalances will focus on capacity building and raising competitiveness, and will be refined to take into account the lessons learnt from past implementation as well as pressures from global competition and liberalisation.

1.38 Hardcore poverty eradication and overall poverty reduction will be key priorities. Reducing inter- and intra-ethnic inequalities will also be important and will be addressed through efforts to narrow the rural-urban and regional gaps as well as disparities in employment, income and wealth. Special groups such as the elderly, disabled, single mothers and orphans will continue to receive support and attention. In addition, past policies and programmes will be reviewed to evaluate their effectiveness and improve their future impact.

Eradicating Poverty

1.39 The Ninth Plan is targeting to halve the incidence of overall poverty to 2.8 per cent and to completely eliminate the incidence of hardcore poverty by 2010. To reach these objectives, programmes targeted at specific impoverished groups will be pursued including pockets of urban and rural poor, Bumiputera minorities in Sabah and Sarawak and the Orang Asli. Existing programmes and projects under the *Skim Pembangunan Kesejahteraan Rakyat*, the Integrated Development Programme for Urban Communities, *Amanah Ikhtiar Malaysia* and various capacity-building programmes will be enhanced to ensure its effectiveness in lifting households out of poverty. Specific programmes will be implemented to address poverty among Bumiputera minorities in Sabah and Sarawak as well as tackle the high incidence of poverty among the Orang Asli community. Although the overall emphasis of the anti-poverty policies and programmes will be to promote self-help and enhance income generation among poor households, groups such as the elderly, disabled and destitute who are unable to participate in gainful economic activities will continue to receive direct financial assistance.

1.40 The delivery and monitoring of poverty eradication programmes will be enhanced to ensure more successful attainment of objectives. Coordination between the implementing government agencies will be improved. Towards this end, a national poverty database will be established to improve the quality of data and information on poor and hardcore poor households in the country. The national poverty database will integrate both the rural and urban poverty

registry and use a common definition of poverty. This database, supplemented by data collected from various government agencies and NGOs, will be used by all implementing agencies as the main data source of their target groups. In addition, poverty mapping will be developed in selected urban and rural areas to assist in designing better anti-poverty programmes.

Reducing Income Disparity

1.41 In view of widening income inequalities, a more conscious effort will be undertaken towards reducing income disparity. Efforts to improve income distribution will focus on reducing income disparity between Bumiputera and non-Bumiputera ethnic groups, between rural and urban areas and increasing income of those in the bottom 40 per cent income bracket. The Ninth Plan aims to narrow the income gap between Bumiputera and Chinese from 1:1.64 in 2004 to 1:1.50 in 2010 and between Bumiputera and Indians from 1:1.27 in 2004 to 1:1.15 in 2010. In relation to the rural-urban gap, the aim is to reduce the rural-urban income ratio from 1:2.11 in 2004 to 1:2.0 in 2010. The programmes to reduce income disparity will cover a wide spectrum¹.

Reducing Regional Disparity

1.42 To reduce disparities between rural and urban areas as well as between less developed and more developed regions, the Government will increase the allocation for rural development and for comprehensive development of the less developed states. Greater emphasis will be given to the development of RGCs, which will focus on coordinated development of the northern and eastern corridors as well as Sabah and Sarawak. These RGCs will provide better infrastructure and amenities, thereby facilitating the growth of more economic activities, which leverage on the natural advantages of each region such as resource-based manufacturing, craft-based industries, downstream agro-based activities, and eco-tourism. New regional development authorities will be established, especially in Sabah and Sarawak to coordinate and implement these efforts.

Reducing Employment Disparity

1.43 As a key approach towards reducing income disparity, the Ninth Plan seeks to improve ethnic participation at all occupational levels and in all sectors of the economy to better reflect the ethnic composition of the population. Apart from measures to enhance the capacity and employability of target groups,

¹ Please refer to paragraphs 1.39 to 1.40 and 1.42 to 1.46

measures will also be taken to encourage greater support for equal opportunity and workplace diversity among employers. Programmes will be implemented to encourage the increase of qualified Bumiputera in professional, managerial and technical occupations as well as in knowledge-based sectors such as biotechnology, ICT and advanced manufacturing. Conversely, measures will be undertaken to increase non-Bumiputera participation in the public sector.

Reducing Asset and Wealth Disparity

1.44 During the Ninth Plan period, measures will be taken to reduce asset and wealth disparities among the various ethnic groups. Bumiputera equity ownership is targeted to attain between 20 to 25 per cent by 2010 in order to reach the ultimate target of at least 30 per cent by 2020. In addition, steps will be taken to enhance Bumiputera asset ownership of residential and commercial property as well as intellectual property. *Yayasan Amanah Hartanah Bumiputera* and *Perbadanan UDA* will spearhead efforts to enhance Bumiputera property ownership in urban areas. *Wakaf* land and properties under the state religious Islamic authorities will be developed to tap their productive potential as well as to spawn new entrepreneurs. Measures will also be taken to expand competitive Bumiputera commercial enterprises, particularly SMEs.

1.45 Appropriate measures will also be introduced to increase Indian equity ownership to 3.0 per cent by 2020. Measures will also be put in place to encourage entrepreneurship and skills training among the Indian community, particularly the youth.

Developing Competitive Bumiputera Entrepreneurs

1.46 The development of the Bumiputera Commercial and Industrial Community (BCIC) will continue to be a key approach towards restructuring society and ensuring greater Bumiputera participation in the economy. A second phase of the BCIC programme will be launched, aimed at developing self-reliant and sustainable Bumiputera entrepreneurs and strong Bumiputera SMEs. A new model of development will be adopted that not only looks at the quantity of Bumiputera entrepreneurs produced, but more importantly focuses on their overall quality in terms of productivity and competitiveness. In order to better implement BCIC programmes, the capability of trust agencies, GLCs and cooperatives will be enhanced. The entry of Bumiputera entrepreneurs into new growth areas will be promoted. The franchise and vendor development programmes will be strengthened. The development of rural entrepreneurs will be implemented in a more systematic and focused manner guided by the Master Plan for the Development of Rural Entrepreneurs.

Bridging the Digital Divide

1.47 To ensure that all Malaysians share the benefits of the knowledge-based economy, ongoing efforts to narrow the digital divide will be further intensified. The focus of the Ninth Plan will be on implementing the infrastructure plan for universal access to the Internet and making available more affordable ICT products and services. The National Strategic Framework for Bridging the Digital Divide (BDD) will be implemented, which includes the establishment of telecentres in underserved areas, tariff reduction for telephone and Internet subscription and the promotion of personal computer ownership. Existing telecentres will be upgraded to Community Knowledge Centres, which will provide a wide range of economic and social activities for all groups. To further encourage the uptake of ICT facilities and services, content and online applications that are specific to the needs of the local community will be promoted.

Reviewing Past Programmes for Effectiveness

1.48 In order to ensure that socio-economic policies meet their objectives, emphasis will be given to improving the effectiveness of programmes through better planning, implementation and monitoring. Past programmes will be evaluated on their effectiveness and impact while future programmes will be applied based on merit and need. The system of implementation will also be reviewed and strengthened to improve targeting of beneficiaries and to minimise leakages. All Government agencies will be required to ensure that their policies and programmes contribute towards more equitable participation and distribution.

THRUST 4: TO IMPROVE THE STANDARD AND SUSTAINABILITY OF QUALITY OF LIFE

Meeting Housing Needs and Improving Urban Services

1.49 Housing is a basic social need and provision of adequate, quality and affordable housing for all income groups is a national imperative. In the Ninth Plan period, the Government will continue to provide low-cost houses under the *Program Perumahan Rakyat* while the *Syarikat Perumahan Negara Berhad* (SPNB) will complement the Government's efforts by building more than 29,000 low- and low-medium cost houses in urban and rural areas. The SPNB will also rehabilitate more than 11,000 houses. Efforts will be enhanced to promote the use of Industrialised Building Systems and designs based on the modular coordination concept in housing construction.

1.50 Legislation will be reviewed to encourage the private sector to provide low-cost houses. This includes allowing more flexibility on the quota of

low-cost houses as well as expediting the development and approval process. The registration and distribution system for low-cost houses will also be enhanced to ensure proper distribution to genuine target groups.

1.51 In line with the Government's aim to enhance public service delivery, reform of local authorities will be undertaken in order to provide efficient and quality urban services including instituting the KPI system to monitor and improve service performance. There will also be greater use of ICT to improve efficiency of operations. The National Urbanisation Policy will be formulated to assist in the planning and implementation of urban services in the country.

Improving Health Care Services

1.52 The Government will continue to provide facilities and implement programmes to improve the health status of the population, especially at the primary care level. Existing facilities will be upgraded while new facilities will be built to provide a comprehensive package of services. Preventive, early screening and detection services will be enhanced to reduce the disease burden and cost of curative and rehabilitative care. The primary, secondary and tertiary care services will be consolidated through an efficient and effective referral system, in order to provide a seamless system for the benefit of patients. To facilitate this, a nationwide information system will be introduced to enable timely and reliable access to patients' health information. The Government will also promote the concept of lifelong wellness and a proactive approach to maintain health through awareness-raising initiatives such as the establishment of Community Health Promotion Centres in all health clinics. The prevention and control of communicable diseases will be emphasised through initiatives such as the establishment of the Communicable Disease Centre in Sungai Buloh, Selangor. Further, the Government aims to eradicate the incidence of malaria, typhoid and tuberculosis by 2010.

1.53 Human resource development will be given high priority to reduce acute shortage in various categories of medical and health personnel. In this regard, training for medical health personnel will be enhanced and expanded. Continuing professional development initiatives will also be increased to meet the need for higher level of care and in new areas of specialisation. The Government will improve the terms and conditions of service to continue attracting and retaining health personnel.

1.54 To increase the quality and level of professionalism, more hospitals will be encouraged to qualify for Hospital Accreditation Certification. In addition, relevant health legislation will be reviewed and new legislation formulated to

better regulate the health sector including with respect to safe practice of traditional and complementary medicine.

Improving the Transportation System

1.55 The development of the urban transport system will focus on the provision of an integrated and efficient public transport system. Public transport in the Klang Valley will be upgraded and expanded, and a dedicated public transport commission will be established in Klang Valley to oversee the improvement. Two integrated transport terminals in Gombak and Bandar Tasik Selatan will be built to act as transit hubs into Wilayah Persekutuan Kuala Lumpur. Furthermore, in an effort to reduce urban congestion, major projects such as the monorail, outer ring road and second bridge in Pulau Pinang, and Johor Eastern Dispersal Link will be implemented. A national commission will be established to regulate the orderly and sustainable development of public transport system in urban areas. The road development programme will focus on improving access to less developed areas, particularly to RGCs and areas with potential for tourism.

1.56 Rail infrastructure will be upgraded and the communication systems modernised to increase operational efficiency and attractiveness of rail transport as a mode of transportation for passengers and freight. These include double tracking at selected priority stretches, rehabilitation of tracks and stations as well as refurbishment and procurement of rolling stock. New spur lines will also be constructed to link to new industrial areas such as Tanjung Malim in Perak. In the airline sector, passenger and cargo traffic are expected to increase, thereby necessitating the expansion of airport capacity and facilities. In this regard, many airports including the Kuala Lumpur International Airport will be expanded and upgraded. Air traffic control equipment will also be upgraded to handle the expected increase in the frequency of flights.

Improving Sufficiency and Sustainability of Energy Supply

1.57 To support economic growth, the Government will continue to ensure the sufficiency, security, reliability, quality and cost effectiveness of energy supply. Towards this end, electricity generation and transmission networks will be further developed. Rural electrification projects will also be intensified, especially in Sabah and Sarawak. However, emphasis will be put on energy diversification and efficiency. The high dependence on petroleum products will be reduced by promoting the use of alternative fuels. The use of biofuel will be promoted while R&D efforts in the production of biodiesel will be given full support. Other renewable energy sources such as solar power will continue to be developed.

Energy efficiency measures will be intensified in the industrial, transport and commercial sectors as well as in government buildings.

Enhancing the Water Delivery System

1.58 A major focus in the utilities sector will be on increasing the quality and reliability of the water supply system. Towards this end, water infrastructure such as intakes, treatment plants and dams will be constructed and upgraded. In addition, major projects such as the Pahang-Selangor Inter State Raw Water Transfer will be implemented. Stricter enforcement and rehabilitation of water distribution networks will also be carried out to reduce the rate of non-revenue water in the country from 38 per cent in 2005 to 30 per cent by 2010. Increased coverage of water supply to rural areas will also be emphasised. In order to achieve sustainability of water supply, water conservation efforts will be promoted through awareness programmes. *Suruhanjaya Pengurusan Air Negara* will commence operations during the Ninth Plan period to regulate the water supply system and sewerage services in Peninsular Malaysia. Water regulation will be aimed at improving service standards and performance in the water and sewerage industry.

Promoting Environmental Protection and Sustainable Resource Management

1.59 Environmental stewardship will continue to be promoted by the Government to ensure an optimal balance between development needs and the environment. Greater focus will be placed on preventive measures to mitigate negative environmental effects at source, reduce illegal acts against the environment as well as intensify conservation efforts to sustainably manage natural resources. Air and water quality will be monitored closely and measures will be undertaken to minimise pollution. This includes having stricter regulations and emission standards, improving the public sewerage system and promoting the use of cleaner energy.

1.60 Land resource utilisation will be optimised by applying the spatial development approach. Efforts will be intensified to protect and optimise the utilisation of biodiversity. R&D will be intensified to facilitate bio-prospecting and promote wealth generation from the country's rich biodiversity resource. In addition, mangroves and other coastal habitats will be rehabilitated to mitigate the impact of coastal erosion and *tsunami*, as well as to ensure a continuous supply of resources.

Enhancing the Role of Culture, Arts and Heritage in Society

1.61 The role of culture, arts and heritage will be enhanced. Focus will be given towards inculcating positive cultural values and enhancing appreciation

for culture, arts and heritage among the people at all levels; developing the creative cultural industry as well as the craft industry; and developing human capital in related fields to ensure continuous and sustainable development of culture, arts and heritage in the country. Greater attention will also be paid to conservation and preservation of heritage products. The Government will work closely with the private sector and civil society to carry out related programmes and activities for the benefit of the people.

Developing Sporting Excellence and a Healthier Lifestyle

1.62 To create a sports culture among Malaysians, various sports programmes for the masses will be implemented, including fitness development programmes and outdoor activities. In line with this, a total of 24,000 instructors will be trained and recruited to facilitate such programmes. Existing sports facilities at state and district levels will be upgraded or expanded to attract more participation. In addition, *Kompleks Sukan Komuniti* will be built to facilitate the organisation of sporting and community-related activities. The private sector will also be encouraged to provide sports and recreational facilities for the use of the community. Emphasis will also be given to the maintenance of these facilities.

1.63 The capacity and competency of sports associations will be enhanced. In order to achieve sporting excellence, initiatives such as the Talent Development Programme will be undertaken to provide training to 14,570 potential athletes in 37 sports. Sports-related initiatives and infrastructure in schools will be enhanced to establish a better foundation to develop and nurture athletes in high performance sports.

THRUST 5: TO STRENGTHEN THE INSTITUTIONAL AND IMPLEMENTATION CAPACITY

Promoting Good Governance

1.64 In the Ninth Plan, the implementation of PIN will be intensified in order to enhance the level of integrity in both the public and private sectors. The Integrity Institute of Malaysia (IIM) will collaborate with private sector organisations and NGOs to organise integrity-related programmes. Agencies similar to the IIM will also be set up at the state level to facilitate the implementation of PIN.

1.65 Good governance in the corporate sector will continue to be promoted. In this regard, regulatory institutions will strive to inculcate and improve good corporate governance including by reviewing the relevant rules, regulations and legal framework. Enforcement of rules and regulations will be stepped up.

Enhancing the Public Service Delivery System

1.66 The Government commits to improve the quality of public services as it is a fundamental prerequisite towards achieving the National Mission. Towards this end, the Government will continue to reduce bureaucratic red tape, especially at the local authority and district levels. Work processes and procedures as well as regulations will be revamped and streamlined while more decision centres will be established to enable effective and speedy decision making. ICT will also be leveraged to enhance access to and delivery of Government services. This will include the *e-Tanah* project, which will enhance land administration processes through the integrated utilisation of technology.

1.67 The KPI system will be implemented to monitor and measure the performance of the public sector delivery system and will be adopted in most agencies by 2010. Apart from the reports compiled by the Public Accounts Committee and the Auditor General, the public service delivery performance of various ministries and government agencies will be monitored through systematic rating systems, inspections and audits. The *Biro Pengaduan Awam* will also actively manage feedback and complaints from the public on public service delivery performance.

1.68 As a strong police force plays a pivotal role in maintaining public safety, the Government will ensure that the operations of the Royal Malaysia Police is enhanced and supported. In addition, measures will be taken to enhance the capability and preparedness of the nation's security forces.

Promoting Development through International Cooperation

1.69 International cooperation between Malaysia and its development partners will be strengthened, including through technical collaborations with South countries. This is in line with the 'prosper-thy-neighbour policy', whereby Malaysia through the Malaysian Technical Cooperation Programme will support the development of smart partnerships to promote greater self-reliance among developing countries. Malaysia has spearheaded the capacity building programme within the Organisation of Islamic Conference (OIC) to encourage the more developed member countries to assist the less developed ones in their developmental efforts. The Ninth Plan will expand the scope of such technical and economic cooperation, including by facilitating greater private sector participation and by refining the existing programmes to address the changing needs of participating countries.

1.70 Malaysia will continue with its policy of development cooperation and strengthening political and economic relations with its neighbours and friendly

countries on a bilateral basis and through regional groupings such as the ASEAN, East Asian Summit and Asia-Pacific Economic Cooperation, as well as through multilateral organisations such as the United Nations, OIC, Non-Aligned Movement and Commonwealth. Such international cooperation will continue to be actively promoted to bring about a more just and equitable international system as well as to pursue the country's goals and protect its interests as an open trading economy.

III. CONCLUSION

1.71 The Ninth Plan re-examines the policies and strategies that were put in place, proposes changes in the development approaches, and introduces new policy initiatives. As the first step, the achievement of the Ninth Plan's policies and strategies is critical to the realisation of the National Mission. Determined and focused implementation of the Plan will strengthen the foundation of the country, build upon Malaysia's past achievements, focus the country's efforts on the five key thrusts of the National Mission, and ultimately pave the way for Malaysia's smooth progression towards becoming a developed nation by 2020.